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Policy Brief

H.Con.Res. 95 -- Concurrent Resolution on the Budget for Fiscal Year 2006

Order of Business: Consideration of H.Con.Res. 95 is scheduled to continue on Thursday, March 17, subject to a structured rule (H.Res. 154) which makes in order substitutes by the Democratic Leadership (Spratt), the Republican Study Committee (Hensarling), and the Congressional Black Caucus (Watt). The rule also makes in order the Obey amendment (see note below). General debate and consideration of the RSC substitute has already concluded.

Comparison of Budget Substitutes

INCREASE OR DECREASE IN FEDERAL TAXES:

Compared to the CBO Baseline (which does **NOT** assume the extension of current tax rates).
Negative Numbers Signify Tax Relief, Positive Numbers Are Tax Increases

In Billions of Dollars

PROPOSAL	2006	2006-2010
Committee Budget	-17.7	-105.8
RSC	-17.7	-105.8
Democratic Leadership	+9.0	+160.0
Black Caucus	+36.3	+212.4

TOTAL ON-BUDGET (EXCLUDES SOCIAL SECURITY) SPENDING, EXCLUDING INTEREST PAYMENTS:

Interest payments are excluded so as to show the levels of programmatic spending.

In Billions of Dollars

PROPOSAL	2006	2006-2010
Committee Budget	1,824.811	9,660.373
RSC	1,814.883	9,568.041
Democratic Leadership	1,854.240	9,911.814
Black Caucus	1,859.308	9,860.407

NOTE: This policy brief does not compare the funding suggested for the separate functional categories. For discretionary spending, the Appropriations Committee is not bound by the functional suggestions in the Budget Resolution. For mandatory spending, the key items are the reconciliation proposals to change existing law or the relevant Committee Allocation (302(a) allocation) made in the accompanying Committee Report. Many budget reform proposals have suggested eliminating most of the functions.

The RSC Budget only includes the following four categories (functions): Defense, Homeland Security, Interest, Offsetting Receipts and Allowances (which includes all other spending). Because the RSC substitute has only four functions while other substitutes and the underlying budget have more than four functions, even if functional totals were binding, it is not practical or possible to compare functional categories for all four proposals.

ON-BUDGET DEFICIT (EXCLUDES SOCIAL SECURITY):

In Billions of Dollars

PROPOSAL	2006	2006-2010
Committee Budget	564.499	2,489.138
RSC	553.708	2,385.569
Democratic Leadership	554.154	2,243.088
Black Caucus	529.197	2,320.171

UNIFIED DEFICIT (INCLUDES SOCIAL SECURITY):

In Billions of Dollars

PROPOSAL	2006	2006-2010
Committee Budget	375.840	1,359.006
RSC	365.049	1,255.437
Democratic Leadership	365.545	1,292.956
Black Caucus	340.588	1,190.039

\$50 BILLION DEFENSE RESERVE FUND FOR ON-GOING MILITARY OPERATIONS:

PROPOSAL	INCLUDES
Committee Budget	YES
RSC	YES
Democratic Leadership	YES
Black Caucus	NO

MANDATORY SPENDING RECONCILIATION, RESERVE FUNDS:

Committee Budget:

- Contingency procedure for Surface Transportation
- Reconciliation instruction to reduce waste, fraud, and abuse:

*Savings
Dollars in Millions*

Committee	First Year	Five Years
Agriculture	797	5,278
Education & the Workforce	2,097	21,410
Energy & Commerce	630	20,002
Financial Services	30	270
Judiciary	123	603
Resources	96	1,413
Transportation & Infrastructure.	12	103
Veterans Affairs	155	798
Ways and Means	3,907	18,680
Total	7,847	68,557

RSC Budget:

- Contingency procedure for Surface Transportation
- Reserve (“rainy day”) fund of \$20 billion for non-military emergency spending
- Reconciliation instruction to reduce waste, fraud, and abuse (flexibility to protect earned benefit programs from reductions):

*Savings
Dollars in Millions*

Committee	First Year	Five Years
Agriculture	893	5,959
Education & the Workforce	2,128	21,803
Energy & Commerce	1,419	30,725
Financial Services	30	270
Government Reform	268	3,164
House Administration	57	2,673
International Relations	45	504
Judiciary	144	826
Resources	114	1,598
Science	303	3,864
Transportation	65	690
Veterans Affairs	155	798
Ways and Means	6,534	52,391
Total	12,156	125,265

Democrat Leadership Budget:

- Reserve fund for the negotiation of lower drug prices through Medicare
- Deficit-neutral reserve fund for Health Insurance for the Uninsured
- Contingency procedure for Surface Transportation

Black Caucus Budget:

- None

ENFORCEMENT PROVISIONS:

Committee Budget:

- Restriction on advanced appropriations
- Requires spending designated as an emergency to meet the criteria for emergency spending

Democratic Leadership Budget:

- Establishes a “paygo” rule for new mandatory spending or tax legislation.

RSC Budget:

- Restriction on advanced appropriations
- Requires spending designated as an emergency to meet the criteria for emergency spending. This provision is enforced via a point of order, and if the point of order is waived, a point of order lies against the rule waiving the point of order.
- Point of order against exceeding the spending limits established by the Budget Resolution (via 302(a) allocations). If the point of order is waived in a rule, then a point of order lies against the rule. This provision, also known as “point of order protection” essentially requires a separate vote of the House to violate the Budget totals.
- Requires that prior to consideration of any Appropriations bill, the House and Senate Appropriations Committees agree on an initial set of 302(b) subcommittee allocations. While the House and Senate may change their allocations at any time, this provision ensures that both chambers start at the same place.
- Prohibition on using general tax increases to offset new spending in an effort to comply with the Budget Resolution.
- Creates a new supermajority (three-fifths) point of order against new mandatory spending while exempting any bill to preserve Social Security that may include short-term transition costs.

Black Caucus Budget:

- None

BUDGET REFORMS OTHER THAN ENFORCEMENT & OTHER PROVISIONS:

Committee Budget:

- None

RSC Budget:

- Allows for tax cut levels to be increased to take into account the economic feedback from lower taxes based on realistic (dynamic) scoring.
- Creates Budget Protection Accounts to permit Members to credit the savings from amendments to both discretionary and mandatory spending bills to deficit reduction or tax relief (i.e. an appropriations amendment would be in order on the House floor to shift funds from something in the bill to tax relief or deficit reduction).
- Turns off the Gephardt Rule, which currently allows for an increase in the public debt limit equal to levels set forth in the budget resolution.
- Requires an automatic roll call vote on all legislation that either authorizes or provides \$50 million in new budget authority.

Democratic Leadership Budget:

- None

Black Caucus Budget:

- None

SENSES OF THE HOUSE / CONGRESS:

Committee Budget:

- Entitlement reform

RSC Budget:

- Spending accountability
- Entitlement reform
- Abolishment of obsolete agencies and Federal sunset proposals
- Goals of this Concurrent Resolution and the elimination of certain programs

Democratic Leadership Budget:

- Funding for the Manufacturing Extension Partnership
- Extension of PAYGO
- Defense priorities
- Eliminating the shortfall in the Pell Grant program
- Homeland Security
- Pay parity
- Amtrak
- Tax simplification and fairness
- Achieving balance through higher taxes on corporations and upper-income taxpayers and indicating a willingness to extend much of tax relief passed in 2001.

Black Caucus Budget:

- None

Obey Amendment: The amendment would raise taxes by \$25.8 billion to fund \$15.8 billion in increases to education, veterans, health, and income security. In addition, it would reduce defense spending by \$1 billion.

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